

Agriculture chairman looks to make big policy shifts for 2012 farm bill

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By Mikkel Pates

Rep. Collin Peterson, D-Minn., says he's in favor of shifting current direct farm payment funding into an expanded crop insurance plan, and then getting rid of payment limitations in the 2012 farm bill.

The Minnesota Democrat told attendees of a National Farm Business Management Conference June 14 in Fargo, N.D., that he needed their help in more big policy shifts for the new farm bill. He talked about the need to make sure the safety net for agriculture should "fall on production," rather than trying to pick winners or losers on the basis of farm size.

Peterson, chairman of the House Agriculture Committee, earlier had discussed the possibility of getting rid of payment limitations in remarks to local media at a Texas hearing in May. There was little reaction back home, even though some organizations, particularly the state and national Farmers Union, have favored "targeting" payments to smaller, "family farmers."

Peterson notes that one of the perennial champions of stricter payment limitations has been Sen. Byron Dorgan, D-N.D., who has announced he'll leave the Senate at the end of his term. Peterson dismisses payment limitation thinking as wrong because it assumes Congress can and should decide how big farms should be, without regard to their productive ability.

Peterson has harsher words for Sen. Blanche Lincoln, D-Ark., for pushing for a \$1.5 billion provision that gives new disaster aid for farmers with a 5 percent loss if they were in a county that was declared a disaster. It's been described as double-dipping on payments, especially applicable to 2009 losses in southern states.

Peterson says this seems to fly in the face of Congress' intent when it passed the SURE program in the 2008 farm bill. SURE was promoted by Sen. Kent Conrad, D-N.D., and others to replace adhoc disaster programs. The Lincoln/Baucus bill would offer payments to SURE participants if they experienced a 5 percent loss in revenue.

"If you can't stand a 5 percent reduction in revenue, then you shouldn't be in the business," Peterson says. "I and you (farm managers, and farmers) are going to pay a price" for this kind of addition to expenses, noting that SURE architects, who promised no adhoc disasters, are "going to get the hell beat out of us" if it goes through.

Peterson says he's trying to get funding for biomass energy studies directed into the U.S. Department of Agriculture's Rural Development agency, rather than the Department of Energy. He says the DOE programs have concentrated such funding into the wood industry and have gotten "all screwed up." He says the purpose of the funds was to develop new crops and methods for growing, storing and moving biomass, but programs such as the Biomass Crop Assistance Program have become a "fiasco" because they "went to subsidize wood production that was already happening."

Peterson says one of his primary goals to get the Environmental Protection Agency to increase the allowable ethanol blend from the current 10 percent level to 15 percent and to expand incentives to "blender pumps" so that consumers can get to that level.

For the upcoming bill to succeed for agriculture, Peterson says, agriculture must strive against infighting among different kinds of agriculture — whether they are local food vs. conventional, larger-scale commercial farming.

Peterson says the emphasis in the 2012 farm bill should be on simplifying and coordinating programs so they work best for farmers.

He says more dramatic changes in the farm program are possible, even if they don't always seem likely.

He points to a recent vote by the National Milk Producers Federation overwhelming support of changes in dairy policy that are “actually working to the detriment” of the industry. He says he's optimistic that California will come into a federal marketing order system and says that a key to any reform is to make sure everybody is in it.

On a North Dakota issue, Peterson says he'd like to include \$50 million per year in the farm bill for the Red River Valley to mitigate flood damage through water retention work into the life of the 2012 farm bill — about \$500 million over 10 years, although farm bills typically only run about five years. Other local and state sources would have to match the amount.

Peterson says it would be similar to previous efforts in areas such as the Chesapeake Bay. The money would be handled through the Natural Resources and Conservation Service and may mean funds would come from other priorities, but Peterson says, “I am the chairman,” implying that his priorities will get consideration. The funding would include a local match and would include items such as dams and the “waffle”-type project of on-farm retention. 6-29-10